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April 16, 2010

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VIA CERTIFIED MAIL
AND FIRST CLASS MAIL
Mayor Phyllis Marcuccio and
Members of the Rockville City Council
111 Maryland Avenue
Rockville, Maryland 20850

Re:

ZTA2010-00227; Implementation Period Extension

Dear Mayor Marcuccio and Councilmembers:

On behalf of the undersigned, we support the proposed text amendment extending the validity period of existing land use approvals. By granting an automatic extension of all pending development approvals in the City, the Mayor and Council will codify the Planning Commission's existing practice in granting economic-related extensions and join the other local jurisdictions in recognizing the severity of the recession's impact on the real estate market.

Several benefits accrue to the City as a result of the proposed legislative plan extension:

- (1) equitable treatment of all property owners;
- (2) conservation of staff time;
- (3) preservation of approvals crafted by consensus and
- (4) maintaining the viability of Rockville as a destination for new businesses.

The proposed legislation tolls the validity period for existing approved projects for two years, eliminating the need for each individual applicant, which range from business owners to developers, to petition the Planning Commission for a one-year or six-month extension².

¹ This includes those projects for which validity periods would have already expired, but for the application of Md. Code Ann., State Government Art. § 11-202(c) which extended the validity period of all approvals to June 30, 2010.

² Projects approved prior to the adoption of the new Zoning Ordinance are eligible for two one-year extensions, projects approved after the new Zoning Ordinance was adopted are eligible for two six-month extensions.

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The proposed legislation would grant those existing approvals an additional two years beyond the two-year validity period set forth in the Zoning Ordinance in which to begin construction. Other local jurisdictions have enacted similar legislation in the past year as described below.

There are several reasons for adopting an automatic mechanism to extend approvals:

- 1. "The Great Recession." As we are all aware, the economy has dealt a tremendous blow to the financial and real estate markets. It has become all but impossible to finance new development and, therefore, developers and property owners have put their projects on an indefinite hold. Until job growth improves, banks begin to offer financing and real estate prices begin to rebound, new development cannot and will not commence. Allowing the approvals granted pre-recession to expire because of the market would cost the City and the property owners. These approvals were granted after much discussion with Staff and the Planning Commission and produced comprehensively evaluated, well thought-out plans. Many of these plans represent the "early-adopters" of the City's vision (those mixed use communities approved prior to adoption of the new Zoning Ordinance) and to lose these projects would unfairly penalize those developers and business owners that invested in the City.
- 2. Equity. The Mayor and Council has stated previously that the current economic crisis is good cause for an extension of a development approval. In that case, then each extension application before the Planning Commission must be approved; any other result would be inequitable. However, this procedure is not currently codified for instruction of the Planning Commission. Without further action by the Mayor and Council, the decisions on extensions remain discretionary and subject to possible differential treatment.
- 3. <u>Staff Burden</u>. An automatic extension relieves the burden from staff of reviewing and preparing each extension request for action by the Planning Commission. The list compiled by staff references over 25 projects that will likely request at least one extension; some will ultimately request two extensions. An automatic stay will unquestionably free a significant amount of staff time to devote to more pressing concerns.
- 4. Other Jurisdictions. Montgomery County passed a zoning text amendment and subdivision amendment to extend all approvals (including Adequate Public Facilities approval) by two years. Similar action by the City ensures that Rockville remains competitive with the County for new businesses and will not simply feel the impact of growth around the edges without tax base growth within the City. Frederick County adopted similar legislation and Prince George's County is considering such an extension.
- 5. Stormwater Management and Other Regulatory Approvals. Existing approvals have all already received stormwater management, forest conservation and similar approvals. These would remain in place and be unaffected by the permit extensions. As previously explained by your Staff, the proposed ZTA would not exempt any developer or property owner from meeting those obligations.

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Thank you for your consideration. We look forward to participating in discussion of these issues.

Sincerely,

MEYERS, EISLER & LEATHAM, LLC

Erica A. Leatham

HOLLAND & KNIGHT LLP

William Kominers and Patricia A. Harris

SHULMAN ROGERS

Nancy Regelih

cc: City of Rockville Planning Commission

Mr. Scott Ullery Debra Daniel, Esquire

Ms. Susan Swift

Mr. Deanne Mellander

25.07.16 - Extension of Implementation Period for Approved Projects

The implementation period of any site plan, project plan, use permit, detailed application, special development procedure or special exception that was valid as of June 30, 2010, either as a result of a an action by the City of Rockville or application of laws of the State of Maryland, shall have the remainder of their implementation period tolled until June 30, 2012 and within this period such projects may be implemented. For all projects extended pursuant to this provision, the implementation period remaining as of June 30, 2010 shall resume running as of July 1, 2012. The implementation period of any such projects [approved] granted by the City between June 30, 2010 and June 30, 2012 is tolled until July 1, 2012.

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